

The Financial Times of Indiana

Tax restructuring news from the Office of Governor Frank O'Bannon

Wednesday, January 23, 2002

www.IN.gov/gov

The News in brief.....

Governor Frank O'Bannon chose to focus on the importance of tax restructuring during his State of the State address last week for a very good reason: Without decisive leadership this legislative session, homeowners in Indiana will see their property tax bills go up an average of 13%.

In a hearing of the House Ways and Means Committee on Monday, the 21st Century Tax Plan (HB 1003) was combined with House Bill 1004, the Balanced Budget Plan. By combining these two important pieces of legislation, Governor O'Bannon and Lieutenant Governor Kernan's plans for balancing the state budget, as well as for restructuring our tax system, are one step closer to reality. Following Chairman Pat Bauer's amendment action and a vote by the committee, House Bill 1004 will now move to the House floor for debate and a vote by all 100 Representatives.

As passed by the House Ways and Means Committee, HB 1004 cuts property tax bills by 4.7% on average for homeowners, while at the same time works to implement a tax structure that promotes immediate and long-term economic growth for Indiana.

Average Effects of Court-Ordered Reassessment on Homeowners Without Tax Restructuring

Allen County:	22.9% increase
Clark County:	12.4% increase
Elkhart County:	14.4% increase
Lake County:	38.0% increase
Marion County:	9.5% increase
Vanderburgh County	29.4% increase

Check the effect on your county at:

<http://www.citiesandtowns.org/publications/tax.htm>

Source: State Board of Tax Commissioners

Did You Know?

Many mayors favor the administration's plan to shift the state's revenue burden from property taxes to sales and income taxes.

"I certainly favor tax restructuring," said Muncie Mayor Dan Canan, a Republican. "The property tax system now set up is a huge hindrance to economic development and homeowners."

... "they (local leaders) want to help fix the budget crisis and find a way to soften the impact of reassessment, especially on owners of older homes," according to Tonya Galbraith, legislative director for the Indiana Association of Cities and Towns.

Associated Press

Alliance for Indiana's Future

"We have come together because we know that our state is at a crisis point. We are asking that they give us strong, courageous and enlightened leadership. We do not pretend to have all the answers, but we are certain that a lack of action by our elected officials in the current legislative session would be disastrous for the state."

-- Joe Barnette, immediate past-president of Bank One, during the announcement of the new *Alliance for Indiana's Future*, a coalition of statewide business, economic development, education, organized labor, real estate, agriculture and community leaders.

Among the principles outlined by the Alliance as keys to a strategic vision for Indiana: **reduction of property taxes so that homeownership remains affordable; and, a restructuring of business taxes to support economic development for the global economy and the information age of the 21st century.**

<http://216.136.78.69/aif/index.htm>

Senior citizens make up 12.4% of Indiana's population, and they are among the people who will be hardest hit by the court-ordered changes to our property tax system. Read how Indianapolis retiree Louise Bone feels about what's going to happen to her tax bill, without action by the legislature, at: www.msnbc.com/local/WTTHR/M137858.asp?cp1=1

Concord Township residents shocked by 50% property tax increase

-- WNDU-TV, January 14, 2002

Joel Victor has lived in Elkhart County's Concord Township for almost seven years. Victor works two jobs while he and his wife, Brenda, raise three children.

Victor was very surprised when he heard his property assessment tax could go up around 50 percent for next year. "It's another \$300 out of my check that I need to buy food, clothes for the kids."

Like other Concord Township residents, Victor received a letter from the township's assessor, who said that property assessment taxes will go up on average 47 percent.

Victor wants to see action taken before it's too late. "Something needs to be done, not next week. Something needs to be done. Period," he said.

WNDU-TV is located in South Bend

Be on the watch for:

Details on amendments to House Bill 1004 following action by the General Assembly...

For more information, contact Cheryl Reed or John Zody at 317-232-1012